

10/20/77 [2]

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THE WHITE HOUSE
WASHINGTON

October 20, 1977

Stu Eizenstat
Charles Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: HUMPHREY-HAWKINS BILL -
BLUMENTHAL

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
	/	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	/ HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

10/20/77

Mr. President:

Schultze & Eizenstat recommend that you discuss the Humphrey-Hawkins bill at your lunch with Blumenthal. They also recommend that you meet with Kreps and Marshall before making your decision.

I received the memo this morning, sent copies to the Senior Staff, and asked for comments back by Monday. I will forward any comments to you at that time.

Rick

*I did - Mike
will talk to Stu
& Charlie
J*

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THE WHITE HOUSE
WASHINGTON

October 20, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: DAN RAMBO - BOARD OF GOVERNORS
OF THE POSTAL SERVICE

THE WHITE HOUSE
WASHINGTON

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	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
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	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS BEEN

THE WHITE HOUSE
WASHINGTON

*Ham -
phone conversation
J*

October 20, 1977

Mr. President:

In the recent memorandum where I recommend Dan Rambo for appointment to the Board of Governors of the Postal Service, you commented, "why Oklahoma? House support is poorest in Congress...why not someone like Ed Price?"

I was advocating Dan Rambo because he was an early supporter of ours - he left Oklahoma in the Fall and managed our state campaign in Kentucky in the general. I was not advocating Rambo because he is from Oklahoma - I was advocating him in spite of the fact he is from Oklahoma and because he is a good man and well qualified.

I am not sure I know Ed Price that well, but will be glad to get up pertinent information about him if you want him to be appointed to the Board.

H.J.
Hamilton Jordan

p.s. As a good compromise, I would suggest Bobby Allen of North Carolina.

Proceed with Rambo _____

Give me information on Price _____

Give me information on Allen _____

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN

SUBJECT: U. S. Postal Service Board of Governors

The 1970 Postal Reorganization Act created a quasi-independent government-owned corporation which was to have exclusive control over management decisions. The Board of Governors consists of nine presidentially appointed members plus the Postmaster General and Deputy Postmaster General. (The presidential appointments select the Postmaster General and the Deputy.) The eleven members of the Board exercise the power of the Postal Service and are authorized to use revenue from mail and service, borrowings, and Federal appropriations to finance postal operations and capital expenses.

Recently, the Board of Governors has been strongly criticized for failing to give direction to the Postal Service. The Report of the Commission on Postal Service stated:

"In the past, the Governors have failed to exercise initiative on vital matters affecting the Postal Service, including collective bargaining agreements, costly capital investment projects and the potential for Postal Service involvement in the field of electronic communications. Their oversight has been minimal and insufficient, and they have not been inclined to advise postal management on major policy issues."

There are currently two vacancies on the Board of Governors. It is important that these two appointments be people who have an exceptional business sense but who are also sensitive to the added responsibilities and restraints surrounding the Postal Service that do not concern a privately owned corporation.

I recommend that you appoint Mr. C. Dan Rambo and Mr. J. Mack Robinson to the Board of Governors. Rambo is a well-respected lawyer and geologist from Oklahoma who has had substantial government experience as well. As Counsel to the Governor of Oklahoma, Rambo was intimately involved with the state budget process. Rambo is also very strongly endorsed by Congressman Tom Steed, who, as chairman of the Treasury, Postal Service, and General Government subcommittee of the House Appropriations Committee will continue to be a key figure in postal service policy decisions.

Mack Robinson is an Atlanta businessman who has not only a long record of success in the business community but in the public service sector as well. Bert Lance considers the appointment of Robinson to be an exceptionally strong choice. *This good use of Mack Robinson is very important to Bert.*

RECOMMENDATION:

Appoint C. ^{*}Dan Rambo to the Postal Service Board of Governors

_____ Approve

_____ ☒ Disapprove

Appoint J. ^{*}Mack Robinson to the Postal Service Board of Governors

_____ ☒ Approve

_____ Disapprove

J

** Before you make final decisions about the Post Office, we will go through a period of time when our only leverage on Bailor is this Board. For that reason, having strong business people who are loyal to you is very important.*

HQ

MR. PRESIDENT

*a) Why Oklahoma? House
Support is poorest in
Congress. Barlett 21%
Bellman 30% =
b) Why not someone like Ed
Price?*

THE WHITE HOUSE

WASHINGTON
THE PRESIDENT HAS SEEN

10/19/77

Mr. President:

John West indicated he has a "political" matter he would like to bring up in his meeting, but he would prefer to do so when he is alone with you. I suggest that you cover the points raised in Zbig's memo and then ask Al Atherton to excuse you and John for a few minutes so that John can talk "politics."

---Hamilton Jordan (Rick)


MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN 
SUBJECT: MEETING WITH AMB. WEST

John West indicated he has a "political" matter he would like to bring up in his meeting, but he would prefer to do so when he is alone with you. I suggest you cover the points raised in Zbig's memo and then ask Al Atherton to excuse you and John for a few minutes so that John can talk "politics."

2:30 PM

THE WHITE HOUSE
WASHINGTON

10/20/77

Mr. President:

Kitty Schirmer reports two additional participants at the consumer meeting:

Garry DeLoss - Environmental Policy
Center

Gregg Thomas - Sierra Club

While both represent environmental organizations, they have been deeply involved with consumer organizations on energy bill issues. The position they take on the wellhead tax will be particularly important and likely to influence the other consumer participants.

Rick

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2:30 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 19, 1977

MEETING WITH CONSUMER REPRESENTATIVES ON ENERGY

Thursday, October 20, 1977

2:30 p.m. (30 minutes)

The Roosevelt Room

From: Stu Eizenstat
Kitty Schirmer

Stu

I. PURPOSE

To discuss consumer concerns on the National Energy Plan and to seek their support for a strong energy bill this year.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: The participants were selected on the basis of active involvement on energy legislation. They have been the effective spokespersons for all consumer organizations. While they have supported the conservation and regulatory aspects of the plan, they have never been enthusiastic about the wellhead tax. They did not, however, oppose the wellhead tax in the House -- largely because, at that time, there was little talk of either plowbacks to energy companies or Rockefeller-type energy banks.

During Senate Finance Committee consideration of the wellhead tax, these groups voiced active opposition to the wellhead tax. They were fearful that the Administration would cut a deal with Senator Long, backing away from full rebates of the tax revenues. Some still believe that the Administration has a "secret" deal with Long.

These individuals have also had a number of complaints about the organizational structure of the Department of Energy, and a lack of consultation on certain nominations they consider critical. The most often voiced complaints are:

- the failure to create a high-level, visible Office of Competition;

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- the creation of a separate consumer participation office -- some believe it should be part of the office dealing with mayors, governors, and local officials;
- the nomination of Lynn Coleman as General Counsel, and two of the five Federal Energy Regulatory Commission nominations, Georgiana Sheldon and George Hall. (Note: opposition to the two last nominees may have died down).

In order to permit some of these concerns to be aired directly with Secretary Schlesinger, he will be meeting with this group for a half hour before you join the discussion.

B. Participants:

Lee C. White	- Energy Policy Task Force of Consumer Federation of America
Ellen Berman	- Energy Policy Task Force of Consumer Federation of America
James Flug	- Energy Action
Lewis Kencht	- Communications Workers of America
Robert Brandon	- Nader Tax Group
Martin Rogol	- Congress Watch
William Winpisinger	- Machinists Union
Jack Sheehan	- Steelworkers Union

C. Press Plan: To be coordinated with Press Office

III. TALKING POINTS

- I have heard about the active role which each of you has taken in shaping the Congressional debate on the National Energy Plan. I am proud of and grateful for your involvement.
- I particularly want to thank you for your help in both the House and Senate on the natural gas deregulation issue. As I have said before, I believe this is a keystone of a fair and balanced energy plan, and I would veto legislation which deregulated the price of natural gas. I believe that \$1.75 per thousand cubic feet is a generous price for new gas, and my support for this price, as adopted in the House bill, is firm.
- Enactment of a strong, responsible energy bill tests our will as a country, my leadership, and the ability of a Democratic Congress and a Democratic President to work together. Energy legislation is a particularly difficult test since it requires us to act before the actual impacts of a crisis begin to overwhelm us. This kind of task is not easy, nor are the solutions to the problem 100% acceptable to every individual or group.
- I believe that the Plan I put forward is fair and balanced in the demands it makes on each sector of our society. The bill which the Congress presents to me must be fair or I will not accept it. I want to make clear to you that there are no secret "deals" between the Administration and the Senate and there aren't going to be any.
- While I believe that we have a responsibility -- the President and the Congress -- to enact energy legislation, I will not accept the wrong bill just to get one.
- I made this clear to the House conferees yesterday and I want you also to hear it. We will continue to support the Administration's bill -- particularly rebates for consumers from the wellhead tax. While I understand that at least some of you have had reservations about this tax, I think it is crucial to the plan and I am asking for your help in getting it through the Conference intact.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

THURSDAY - 3:55 P.M.
OCTOBER 20, 1977

MR. PRESIDENT

SENATOR WEICKER CALLED

TO EXTEND CONGRATULATIONS

TO YOU FOR YOUR WISE DECISION

RE BOWHEAD WHALES.

T.K.

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THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

oh
J

THURSDAY-OCT. 20, 1977
6:05 P.M.

MR. PRESIDENT

SECRETARY VANCE RETURNED
YOUR CALL AT 5:30 P.M.

#

SECRETARY BROWN AND
HERKY HARRIS BOTH CALLED
TO TELL YOU ABOUT B-1
VOTE.

T.K.

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON
October 20, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

CALL TO SENATOR HENRY BELLMON

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION
FYI

<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
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<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

MR. PRESIDENT: THE PRESIDENT HAS SEEN.

I suggest that you make a quick call to Senator Henry Bellmon (R-Okla) saying that you had a nice meeting with Sen. Muskie yesterday and hope that we can work together on the Energy bill.

224-5754 until 4:00 pm today

Frank Moore
10/20/77

done
J

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
October 20, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: REPORT FROM PRESIDENT'S
COMMITTEE ON MENTAL RETARDATION

THE WHITE HOUSE
WASHINGTON

*original
keep notes*

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
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	WARREN

THE WHITE HOUSE
WASHINGTON

Send to Jimmy.
This is report
from Pres. Committee on
mental retardation. We
told them we would
append to reports of
Pres. Comm. on
mental
health.



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THE WHITE HOUSE
WASHINGTON
October 18, 1977

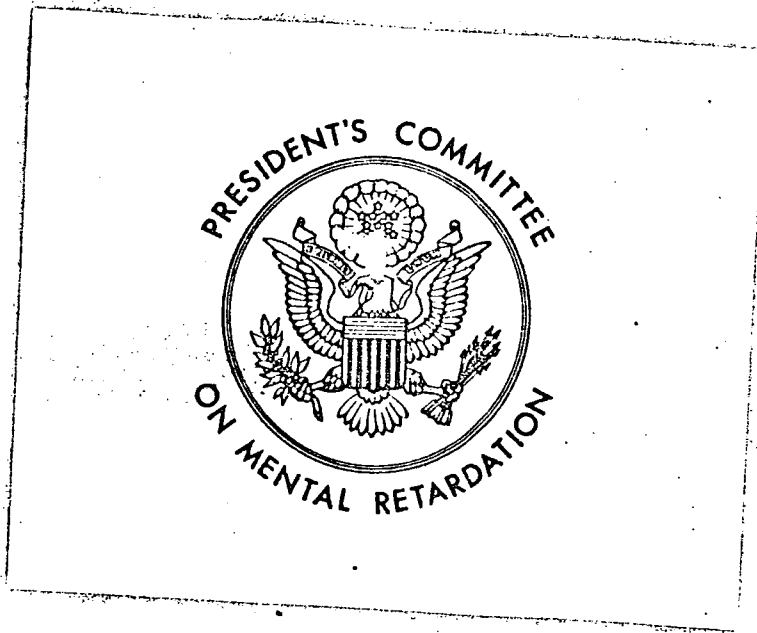
TO: Susan Clough
FROM: Kathy Cade *KC*
RE: Attached Report

Mrs. Carter asked that the attached report from the President's Committee on Mental Retardation be sent to the President.

She met with the Committee last spring and asked them to prepare this document for her.

A copy has also been given to Secretary Califano, as well as the President's Commission on Mental Health.

Stu
Let's pursue
J



A RENEWED NATIONAL COMMITMENT

PRESENTED TO MRS. ROSALYNN CARTER

BY

PRESIDENT'S COMMITTEE ON MENTAL RETARDATION

THE WHITE HOUSE
WASHINGTON

October 20, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
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information.

Rick Hutcheson

LETTER TO AND FROM ARTHUR BURNS
RE TAX REFORM AND TAX REDUCTION

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

send out

	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
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	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

10-19-77

To Chairman Arthur Burns

Thank you for your
additional valuable advice
on the tax reform proposals.

Sincerely,

Jimmy



CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

To Sher-
J

October 17, 1977

RZ

The President
The White House
Washington, D. C.

Dear Mr. President:

Since our meeting on September 29, I have had the opportunity to study the various option papers on tax reform and tax reduction. In addition, I have been briefed by Treasury officials on new elements that are being considered.

I am sure you will not be surprised to learn that I still have reservations about the tax package that seems to be taking shape. That is so even though I see great merit in principle in many of the individual proposals that are under consideration.

It is not my intention in this letter to go over ground previously covered. Sensing that the framework of the tax package has been essentially determined, I would simply like to make a few comments directed to matters that I believe are still unresolved. I do so because I remain very sensitive to the importance of strengthening the state of business and investor confidence.

I was pleased to learn that you are considering the possibility of a larger permanent cut than originally contemplated in the corporate tax burden -- to be effected by a reduction of four percentage points, rather than two, in the corporate income-tax rate. My understanding is that this would substitute for the temporary increase that had been proposed in the investment tax credit. I would strongly urge you to move in the new direction: first, because a permanent

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reduction will have a far more positive impact on business attitudes than temporary reductions; second, because the challenge of adequately equipping our growing labor force with capital goods is likely to be of extended duration; and third, because variations in the investment tax credit from period to period could produce troublesome distortions in capital-goods activity. Opting for an enlarged permanent cut in the regular corporate tax rate thus seems to me strongly advisable.

As I have emphasized previously, the proposal to eliminate preferential treatment of capital gains is the most worrisome feature of the reform package. It would be worrisome even with an indexation provision. It is much more so without one. I recognize, of course, that proposed compensatory actions -- especially the reduction from 70 to 50 per cent in the ceiling rate on individual income -- are aimed at muting the adverse economic impact of taxing capital gains as if they were ordinary income. I have grave doubts, however, that the offsets can in fact be fully compensatory. It concerns me deeply that ending preferential treatment of capital gains may worsen the environment for enterprise and risk-taking in our country.

Because of this concern, I urge you to give sympathetic attention to actions aimed at easing the transition to changed capital-gains taxation -- if in fact you decide on such a course. Specifically, I urge consideration of two softening steps: first, allowance for a one-time tax-free rollover of invested capital during a limited transition period; and second, some device that would lessen the rate of taxation on inflation-affected capital values for those asset holders who elect not to take advantage of the rollover option. The Treasury could readily supply suggestions of the latter type.

There is one additional consideration that I would urge you to bear in mind as you make final decisions on the tax program. This relates to the desirability of shaping the tax-reduction portion of the package somewhat more in the direction of reducing taxes that condition capital formation. Even with the two additional percentage points of reduction in the corporate tax rate apparently under consideration, the net permanent lightening of the business tax burden would be relatively modest.

My rough estimates indicate that the freeing-up of investment-type funds, whether lodged with individuals or businesses, may be no more than about \$5 billion, net. Certainly, prospective relief to businesses does not look large when judged in relation to the \$10 to \$12 billion of taxes a year corporations are now paying on the "phantom" portion of their profits. Moreover, a sizable part of the projected relief would be negated if Congress follows Administration recommendations and imposes substantial new taxes on businesses to finance the Social Security program. The relatively small size of the indicated net reduction that would directly affect capital formation has to be of great concern if one starts from the premise, as I do, that much stronger investment activity is vital to assure sustained and balanced economic expansion in the years immediately ahead.

My particular recommendation is that you consider either an appreciably larger cut in the corporate tax rate than the four points under consideration or the establishment of more liberal depreciation allowances for tax purposes, or some combination of the two. A shift in that direction could produce a tax program realistically related to the hesitation of the private sector to commit itself to long-lived investment projects. Unless that reluctance diminishes, the obstacles to fully employing our growing labor force may prove to be insurmountable.

By my analysis of economic fundamentals, we are at a critical crossroads: faced with enormous investment challenges, we can either take actions (including but not limited to tax actions) which unambiguously spur savings and investment or we can try to compensate for shortfalls in investment activity by heavily weighting economic policy toward the encouragement of consumption. The former, in my judgment, is the wiser and safer course.

I regret, Mr. President, that this again is a longer letter than I had intended. But I would not be performing my duty if I failed to take advantage of the opportunity to advise you at this difficult time.

Sincerely yours,



Arthur F. Burns

Copy to:
Messrs. Blumenthal, Schultze

THE WHITE HOUSE
WASHINGTON

October 20, 1977

Hugh Carter

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
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Rick Hutcheson

cc: Jack Watson

RE: PRESIDENTIAL MAIL REFERRED
TO AGENCIES

THE WHITE HOUSE
WASHINGTON

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	PETERSON
	PETTIGREW
	POSTON
	PRESS
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	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

Hugh
JC

THE WHITE HOUSE
WASHINGTON

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER 
SUBJECT: Presidential Mail Referred to Agencies

In view of your directive to the Heads of All Departments and Agencies that Presidential mail be answered within 9 days, we would like to apprise you of the agencies performance to date.

Over the last three months, we have made calls to 2,739 persons whose letters had been sent to agencies for response. Fifteen working days after the letters were referred from the White House, only 28% had received replies; 10 additional days later, the response rate was still only 32%. A list of agencies and their performance is attached.

Although we have been working closely with all the major agencies, most of which have been extremely cooperative, the overall performance is obviously not satisfactory. The agencies have been apprised of the test results over the last two months.

Could you please indicate what step(s) you would like us to take beyond our continuing efforts:

- Draft memo for my signature to Heads of all agencies reporting overall situation. ☐
- Draft individual memos for my signature to Heads of specific agencies with poor performance advising them of their agency's performance. ☒
- Report comparative follow-up statistics to me monthly. ☐



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AGENCY	CALLS COMPLETED	RESPONSE AFTER 3 WEEKS	RESPONSE AFTER 5 WEEKS (A)
Military Assistant to the President	75	30 (40%)	34 (45%)
Federal Energy Administration	65	12 (18%)	24 (37%)
Department of State	203	56 (28%)	64 (32%)
Department of Labor	216	18 (8%)	22 (10%)
Department of Justice	158	47 (30%)	52 (33%)
Department of Interior	38	10 (26%)	10 (26%)
Department of Health, Education and Welfare	817	187 (23%)	227 (28%)
Department of Commerce	90	15 (17%)	19 (21%)
Department of Agriculture	119	78 (66%)	83 (70%)
Other	<u>958</u>	<u>306 (32%)</u>	<u>343 (36%)</u>
Total	2,739	759 (28%)	878 (32%)

(A) Data from 588 calls on mail referred to agencies from 8/1/77 through 8/13/77.

THE WHITE HOUSE
WASHINGTON

October 20, 1977

Stu Eizenstat
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan

RE: JOB CREATING ASPECTS OF
SENATOR LONG'S ENERGY
TAX CREDITS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Re: 3:00 meeting
cc Frank & Stu
Q

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: Job Creating Aspect of Senator Long's
Energy Tax Credits

This memo responds to your request, through Frank Moore, for an evaluation of the job creating potential of the Senate Finance Committee energy proposals, as compared to the House-passed bill.

We understand that Senator Long claims that his energy proposals -- principally tax credits for a long list of energy related activities -- would create a very large number of additional jobs, whereas the Administration proposals and the House-passed bill would not.

First, the job creating aspects of the Senate proposal stem from the fact that it provides net tax reductions, not from the structure of its energy-saving incentives. Any massive tax reduction can create jobs, so long as the economy is operating at less than full employment. But since budget resources are not unlimited, the \$32 billion of tax reductions in the Long proposal must come at the expense of tax reductions you could otherwise grant to workers and to a broad range of business firms generally, as part of your upcoming long-range tax proposals.

Second, the number of jobs produced in the Senate proposal, per dollar of scarce budget resources used up, would probably be small:

- o To achieve its energy savings, the Senate proposal relies heavily on investment in exotic fuels and those that have long lead times, such as, geothermal energy and shale oil. It is quite likely that by 1985 investment in those fields will not be forthcoming to the extent envisioned by the Senate Finance Committee. As a result, no revenues would be foregone, but no jobs would be created. (Moreover, your energy policy objectives would not be achieved.)

- o In some areas the generous incentives in the Long proposal would provide huge windfalls to producers who, in their own self interest, would be investing in energy-saving measures in any event; thus, much of the revenue loss would be wasted insofar as creating extra jobs is concerned.
- o \$32 billion of revenue loss, spread over eight years, amounts to \$4 billion per year; with \$4 billion a year for general economic stimulus we could create between 100,000 to 200,000 jobs; over eight years this would amount to 0.8 to 1.6 million man-years of employment.

Third, the combination of the oil and gas user taxes and the associated credits to firms who convert to coal and other fuels, as contained in the House bill, provides effective "carrot and stick" incentives for conversion. But because the revenues received from business firms would be equal to or greater than the credits, funds are saved for broader tax reductions, direct employment creating programs, or socially worthwhile Federal expenditures in the budgets of future years.

Taken in its totality, the House bill raises substantially more revenue than it gives back by way of tax credits, rebates, or energy related expenditures. (The major reason for this result is that the House bill does not provide for rebates or other uses of the wellhead tax after 1978.) Consequently, we cannot judge the employment effects of the House bill until we determine how to use the wellhead tax after 1978. If the wellhead tax is used partly for rebates to consumers (which increases their purchasing power) and partly for energy related expenditures, the House bill will have no less an effect on jobs and probably a greater effect, than the Long bill, since it does not "waste" so much money on excessively generous credits.

Senator Long's proposals grant massive tax breaks to a very limited sector of the economy. The same energy objectives can be met much more equitably and with far less loss of revenues from the provisions of the House bill. The dollars of budget cost thereby saved can be used to provide economic stimulus and job creation.

Finally, in future years we will probably have to provide special governmental assistance for bringing into commercial production some of the exotics, like geothermal, shale, and the like, when and if they are ready. But a grab bag of tax credits is not the way to go about this.

THE WHITE HOUSE
WASHINGTON

October 20, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Frank Moore
Jack Watson
Jim McIntyre
Zbig Brzezinski
Tim Kraft

RE: BOWHEAD WHALE DECISION

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	
FYI	
/	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
/	WATSON
/	LANCE JM
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	JAGODA
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/	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

10/19/77

Mr. President:

Watson and McIntyre concur with Stu.

Congressional Liaison reports that Senators Magnuson, Hollings and Stevens have requested a meeting with you prior to your decision on Bowhead Whales. Frank Moore suggests that the following phone calls take the place of a meeting (in order of importance):

Magnuson 224-2621
Gravel 224-6665
Stevens 224-3004
Hollings 224-6121

Stu's office thinks that the proposed statement should be released by next Monday at the latest, and recommends that you first meet with Eskimo leaders. Tim Kraft advises that there is no chance of a meeting before Monday, and recommends that the Vice President meet with Eskimo leaders, instead. (A meeting with the President, he suggests, would generate more criticism that the President is trying to do everything.)

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
KATHY FLETCHER

Stu

SUBJECT:

Bowhead Whale Decision

The decision whether to object to the International Whaling Commission's elimination of the subsistence hunt by Eskimos of bowhead whales must be made before October 24. The agencies have now agreed on a proposal and seek your approval as soon as possible so that cooperative efforts can begin in earnest with the affected Eskimos.

The proposed solution involves:

1. Not objecting to the International Whaling Commission's decision;
2. Working with the Eskimo community to develop a regulatory and scientific program to present to the IWC in an effort to reinstate a limited hunt which will eliminate wasteful whaling yet maintain the Eskimos' cultural and dietary reliance on the whale;
3. Seeking acceptance of our proposal at the December meeting of the International Whaling Commission. Discussions would begin with the IWC Scientific Committee in November;
4. Seeking to preserve our option to reject the IWC decision in December, but approaching IWC in a totally cooperative posture.

The attached statement incorporating the proposal has been drafted and agreed to by all the involved agencies -- State, Commerce, Interior, CEQ, Marine Mammal Commission. Interior originally recommended an objection, but recognizes that the responsibility to natives can be met by making our best effort to reinstate a limited hunt. Conservationists do not oppose reinstatement of a limited hunt.

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- 2 -

Cooperation of the natives will be key to developing and enforcing any regulatory program. Eskimos have already begun to institute self-imposed restrictions on whaling methods. If we can obtain their cooperation in developing a proposal for the IWC, it is likely we will have an enforceable program to which the IWC will be receptive.

The natives have said they will not cooperate if we do not now object to the IWC decision. However, when faced with the reality of our decision, they may be more willing to talk. I would recommend that you meet with two or three Eskimo leaders to ask for their help and to tell them directly that we felt it was in their best interest in seeking reinstatement of a limited hunt for us not to object to the IWC. Although I do not wish to impose on your busy schedule, a few minutes of your time could save the entire effort.

The question has arisen as to whether this decision ought to be perceived as a Presidential decision, or whether the State Department should release the statement. I think the appropriate course would be for the State Department to release the statement, but for you to meet with the natives to impress on them the finality of the decision and our desire to work with them.

DECISIONS

- I. Agency Proposal
 - A. Approve proposed strategy (recommended) ☒
 - B. Disapprove proposed strategy; desire presentation of other options ☐
- II. Decision Statement (see attached)
 - A. Approve proposed statement (recommended) ☒ *a) I don't understand reason for IP 6*
 - B. Modify proposed statement ☐ *b) Move last sentence up to near top of statement*
- III. Method of Release
 - A. State Department release of decision (recommended) ☒
 - B. White House release ☐

DECISIONS (cont'd.)

- IV. Meeting with natives
- A. Approve (recommended)
 - B. Disapprove

V.P. Can do this.
J

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for Preservation Purposes

STATEMENT ON BOWHEAD WHALES

In June, 1977, the International Whaling Commission (IWC) removed the existing exemption for aboriginal hunting of bowhead whales until further action and continued the classification of the bowhead as a "protection stock", thereby imposing a one-year zero quota on taking of bowhead whales. For Native Alaskan Eskimos, this action would cause a sudden disruption of their way of life. In response to the IWC action, we are developing a program to obtain IWC approval of Eskimo subsistence hunting based upon the establishment of a scientific research program and conservation regime. We will take the following steps to implement this program:

1. We will work with the Eskimo community to institute an expanded, cooperative program of scientific research on bowhead whale stocks.
2. We will seek the cooperation of the Eskimo community in establishing a bowhead whale conservation regime which will adequately limit the number of whales killed and eliminate or minimize the number of whales hit but not recovered (and thus possibly killed).
3. We will undertake informal consultations with members of the IWC and its Scientific Committee

to seek their support for a subsistence hunt for Eskimos based on this scientific research and conservation program.

4. We will ask the Scientific Committee of the IWC at its next meeting in November to consider the proposed U. S. research and conservation program.
5. We will actively seek to obtain IWC approval of an Eskimo subsistence hunt at the special meeting in December where the IWC will be reconsidering the bowhead whale issue.
6. Given the traditional focus of the IWC on commercial whaling, we will begin discussions within the IWC to ensure that as it considers Eskimo subsistence hunting, it will adequately take into account the important factors of cultural and subsistence needs, while protecting affected whale stocks.
7. We will evaluate the results of the December meeting and take appropriate action based upon the alternatives available to us.

In light of the foregoing, we have decided not to present an objection at this time to the June IWC action.

* * * * *

THE WHITE HOUSE

WASHINGTON

Date: October 19, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft

FOR INFORMATION:

The Vice President

Frank Moore (Les Francis)

Jody Powell

Jack Watson *strongly support*

Jim McIntyre *concur by phone (Eliot C)*

Fran Voorde

Charles Warren

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat memo undated re Bowhead Whale Decision

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

to seek their support for a subsistence hunt for Eskimos based on this scientific research and conservation program.

4. We will ask the Scientific Committee of the IWC at its next meeting in November to consider the proposed U. S. research and conservation program.
5. We will actively seek to obtain IWC approval of an Eskimo subsistence hunt at the special meeting in December where the IWC will be reconsidering the bowhead whale issue.
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7. We will evaluate the results of the December meeting and take appropriate action based upon the alternatives available to us.

In light of the foregoing, we have decided not to present an objection at this time to the June IWC action.

* * * * *

Date: October 19, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore (Les Francis)
Jody Powell
Jack Watson
Jim McIntyre
Fran Voorde

Charles Warren

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat memo undated re Bowhead Whale Decision

XC: CABLE ✓
TATE ✓
FM ✓

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

CONGRESSIONAL LIAISON:

Senators Magnuson, Hollings, and Stevens have requested a meeting with the President prior to a final decision on the IWC decision on Bowhead Whales. A series of phone calls to those three Senators and, in addition, to Senator Gravel, would take the place of such a meeting. The Senators phone numbers are: Magnuson - 224-2621; Hollings - 224-6121; Stevens - 224-3004; Gravel - 224-6665.

In addition, Senate Liaison suggests that should the President approve a meeting with Eskimo leaders, Senators Gravel and Stevens ought to choose those leaders and perhaps even extend the invitation. (Les)

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: October 19, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore (Les Francis)
Jody Powell
Jack Watson
Jim McIntyre
Fran Voorde Charles Warren

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat memo undated re Bowhead Whale Decision

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

There is no time for such a meeting before Oct. 24. I would suggest that the Vice President meet with the native representative. I think that such a meeting with the President would generate more criticism about the President trying to do everything -

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

T K

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
KATHY FLETCHER

Stu

SUBJECT:

Bowhead Whale Decision

The decision whether to object to the International Whaling Commission's elimination of the subsistence hunt by Eskimos of bowhead whales must be made before October 24. The agencies have now agreed on a proposal and seek your approval as soon as possible so that cooperative efforts can begin in earnest with the affected Eskimos.

The proposed solution involves:

1. Not objecting to the International Whaling Commission's decision;
2. Working with the Eskimo community to develop a regulatory and scientific program to present to the IWC in an effort to reinstate a limited hunt which will eliminate wasteful whaling yet maintain the Eskimos' cultural and dietary reliance on the whale;
3. Seeking acceptance of our proposal at the December meeting of the International Whaling Commission. Discussions would begin with the IWC Scientific Committee in November;
4. Seeking to preserve our option to reject the IWC decision in December, but approaching IWC in a totally cooperative posture.

The attached statement incorporating the proposal has been drafted and agreed to by all the involved agencies -- State, Commerce, Interior, CEQ, Marine Mammal Commission. Interior originally recommended an objection, but recognizes that the responsibility to natives can be met by making our best effort to reinstate a limited hunt. Conservationists do not oppose reinstatement of a limited hunt.

Cooperation of the natives will be key to developing and enforcing any regulatory program. Eskimos have already begun to institute self-imposed restrictions on whaling methods. If we can obtain their cooperation in developing a proposal for the IWC, it is likely we will have an enforceable program to which the IWC will be receptive.

The natives have said they will not cooperate if we do not now object to the IWC decision. However, when faced with the reality of our decision, they may be more willing to talk. I would recommend that you meet with two or three Eskimo leaders to ask for their help and to tell them directly that we felt it was in their best interest in seeking reinstatement of a limited hunt for us not to object to the IWC. Although I do not wish to impose on your busy schedule, a few minutes of your time could save the entire effort.

The question has arisen as to whether this decision ought to be perceived as a Presidential decision, or whether the State Department should release the statement. I think the appropriate course would be for the State Department to release the statement, but for you to meet with the natives to impress on them the finality of the decision and our desire to work with them.

DECISIONS

I. Agency Proposal

- A. Approve proposed strategy (recommended) _____
- B. Disapprove proposed strategy; desire presentation of other options _____

II. Decision Statement (see attached)

- A. Approve proposed statement (recommended) _____
- B. Modify proposed statement _____

III. Method of Release

- A. State Department release of decision (recommended) _____
- B. White House release _____

DECISIONS (cont'd.)

IV. Meeting with natives

A. Approve (recommended) _____

B. Disapprove _____

STATEMENT ON BOWHEAD WHALES

In June, 1977, the International Whaling Commission (IWC) removed the existing exemption for aboriginal hunting of bowhead whales until further action and continued the classification of the bowhead as a "protection stock", thereby imposing a one-year zero quota on taking of bowhead whales. For Native Alaskan Eskimos, this action would cause a sudden disruption of their way of life. In response to the IWC action, we are developing a program to obtain IWC approval of Eskimo subsistence hunting based upon the establishment of a scientific research program and conservation regime. We will take the following steps to implement this program:

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2. We will seek the cooperation of the Eskimo community in establishing a bowhead whale conservation regime which will adequately limit the number of whales killed and eliminate or minimize the number of whales hit but not recovered (and thus possibly killed).
3. We will undertake informal consultations with members of the IWC and its Scientific Committee

THE WHITE HOUSE
WASHINGTON
October 20, 1977

Stu Eizenstat
Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Stu- please inform Secretary Bergland and Administrator Weaver of the decision.

Rick Hutcheson

RE: FARMERS HOME ADMINISTRATION-
SMALL BUSINESS ADMINISTRATION FARM
LENDING PROBLEM

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

*stn - pls inform Secretary
Beegland + Weaver of ~~your~~
decision*

	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

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	BOURNE
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	BUTLER
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	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

10/20/77

Mr. President:

Stu reports that the House Parliamentarian has indicated that the appropriation bill amendment described in Secretary Bergland's first option would not be germane. Stu therefore recommends the second option, but adds: "if this alternative is not successful, we will then go the permanent route early in the next session."

Administrator Weaver concurs with Bergland, but cautions that it is essential that Chairman Neal Smith and Sen. Hollings be consulted before Option #2 is taken. (When Weaver and Bergland met with Smith the other day, they did not indicate that Option #2 was being considered, according to Weaver.)

Congressional Liaison responds, with regard to Option #2, that "we should get the Senate to amend the supplemental appropriations bill rather than 'any House passed bill,' and deal with it in Conference.

Rick



THE PRESIDENT HAS SEEN.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

1977 OCT 19 PM 1 49

October 19, 1977

MEMORANDUM

To: The President
From: Bob Bergland
Secretary of Agriculture
Attention: Jack Watson

*Stu & Frank.
After consultation -
go with best &
fastest legal
option -
with limited funds,
option #1 or
administrative decision
may/should permit
priority cases to
be handled
J*

Following your leadership breakfast on Tuesday morning, Stu Eizenstat called me on the Farmers Home Administration-Small Business Administration farm lending problem. There are three ways we could go in dealing with this question.

1st Option

We have constructed words which would limit SBA's lending to those borrowers who are not authorized by FmHA. It could be taken up as an amendment to either a D.C. Appropriation Bill scheduled to move through the House -- probably Thursday -- or the second supplemental appropriation bill which will be taken up in the next few days. We think this amendment would be germane under House rules, but are checking it with the House Parliamentarian. Chairman Mahon of the Appropriations Committee is supportive of this technique, if permitted.

2nd Option

The second track would be an amendment to any House passed bill which is now pending in the Senate. This amendment would change the basic authorization of SBA to get them out of the farm lending business. This then could be brought back to the House as a part of a Conference Committee Report, and while Neal Smith, Chairman of the House Small Business Committee, will resist this, we probably could beat him on the floor.

3rd Option

We have a package of amendments to the FmHA basic act now pending in the Congress which will not be acted on until early next year. This matter could be dealt with at that time on a more permanent basis and following the usual hearing process which the first two methods outlined above will circumvent.

2-The President-October 19, 1977

I would suggest we use either the first or second option, depending on what the House Parliamentarian advises regarding the germaneness of option one. House rules permit limitations on appropriation bills, but does not permit a basic change in policy.

This amendment is probably borderline under House rules.

If that fails, I would recommend option two, with option three to be the permanent policy change to be considered in the usual fashion, but would not be applicable until sometime early next year.

While we do not approve of the 3% lending program in the FmHA, we think an amendment to take us and SBA out of the 3% lending business before all applications have been processed in disaster states like Iowa and Georgia would result in a strong backlash. We have seen this happen before. People object to having some approved under these generous terms, and others disapproved simply because their applications had not been processed.

I would suggest our amendments state that FmHA be authorized to continue to process all applicants under this 3% program in all counties where disaster lending is underway, but for disasters occurring on or after the enactment of this amendment, we would go to a higher, probably 5%, rate of interest.

THE WHITE HOUSE

WASHINGTON

Date: October 19, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *OPT I not viable, OPT II*
Frank Moore (Les Francis) *OPT I*
Jack Watson *nc by phone*

SBA concn w/ Berglund

FOR INFORMATION:

The Vice President
Jim McIntyre

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Berglund memo dated 10/19/77 re Farmers Home Administration
Small Business Administration farm lending problem.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME:

IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*Hallberg
& Son*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

*Call
SBA*

THE WHITE HOUSE

WASHINGTON

October 20, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
LYNN DAFT

Stu

SUBJECT: Secretary Bergland's Memo on the SBA/FmHA
Farm Lending Problem

We understand that the House Parliamentarian has indicated that the appropriation bill amendment described in the Secretary's first option would not be germane. Thus, we recommend the second option.

Of course, if this alternative is not successful, we will then go the permanent route early in the next session.

10/20

THE WHITE HOUSE
WASHINGTON

RICK:

Here's the final response from
Congressional Liaison on the
Bergland Memo:

Re Option 2: We should get the
Senate to amend the supplemental
appropriations bill rather than
"any House passed bill", and deal
with it in Conference.

Mari

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

C

THURSDAY - OCT. 20, 1977

MR. PRESIDENT

CONGRESSMAN PARREN MITCHELL CALLED TO TALK TO YOU ABOUT THE LATEST DEVELOPMENTS IN SOUTH AFRICA. THE CONGRESSIONAL BLACK CAUCUS IS GOING TO HAVE A PRESS CONFERENCE AT 9:30 A.M. TOMORROW IN WHICH THEY WILL REQUEST A MEETING WITH YOU TO DISCUSS THE MOST RECENT DEVELOPMENTS IN SOUTH AFRICA. MITCHELL WANTED YOU TO KNOW ABOUT HIS REQUEST AHEAD OF TIME.

T.K.

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for Preservation Purposes

10/20/77

THE WHITE HOUSE
WASHINGTON

Reservation - modification
counter offer to other party
if they stay mute - ok

Understanding - Statement
by one party = other party
can object.

Joint understanding = How
exec branch only

THE WHITE HOUSE
WASHINGTON
October 20, 1977

Frank Moore

The attached letter was returned
in the President's outbox today
and is forwarded to you for delivery.

Rick Hutcheson

RE: LETTER TO SEN. GARN - DEEP COAL
MINES

THE WHITE HOUSE
WASHINGTON

October 20, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. Before we give the package to Frank Moore for delivery, please inform us if you wish to change the letter or have it sent as is.

Rick Hutcheson

RE: LETTER TO SEN. GARN - DEEP COAL MINES

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT

SUBJECT:

Senator Jake Garn's Proposed
Executive Order

*Stu - I don't
like the excess
verbiage ("ask you
indulgence, etc.") Be
brief! ok otherwise -
J*

Following up on your discussion with Senator Garn concerning the desirability of issuing an Executive Order expediting the approval of deep coal mines under the jurisdiction of the Interior Department, my staff has examined the draft Order provided by Senator Garn's office. We have also met with the drafter, a lawyer from Salt Lake City.

The scope of the proposed Executive Order is much broader than the way Senator Garn apparently characterized it to you. However, it may be a very good suggestion. It would consolidate land use planning and environmental impact statements under the Federal Land Management and Planning Act and the National Environmental Policy Act. It would apply to all federal land use decisions -- mining, grazing, timbering, power plants, etc. -- under the purview of the Bureau of Land Management.

I propose that Secretary Andrus and the Council on Environmental Quality analyze the proposed Executive Order and that you send the attached letter to Senator Garn following up on your commitment to him. I will then forward the materials to Cecil Andrus and Charles Warren for their analysis.

Attachment

Electrostatic Copy Made
for Preservation Purposes



THE WHITE HOUSE

WASHINGTON

October 20, 1977

To Senator Jake Garn

I would like to follow up on our discussion concerning the desirability of an Executive Order to expedite the approvals of deep coal mines under the jurisdiction of the Interior Department. Subsequent to our meeting, my staff has examined the proposed Order provided by your office and have met with Constance Lundberg of Salt Lake City to discuss it in detail.

The Order would consolidate land use planning and environmental decision-making on all Bureau of Land Management lands under the Federal Land Management and Planning Act and the National Environmental Policy Act. It would apply to all types of federal land use decisions, including deep coal mines. As you know, I am eager to make federal decision-making as efficient and responsive as possible. I am therefore very intrigued with your suggested improvements on Interior Department environmental and land use procedures.

Because of the broad scope of the proposed Executive Order, I would like to ask your indulgence to have the Interior Department and the Council on Environmental Quality examine it in detail. I will ask them to analyze the proposed Order and report back to me within 30 days.

Thank you very much for your excellent suggestion.

Sincerely,

The Honorable Jake Garn
United States Senate
Washington, D. C. 20510

THE WHITE HOUSE
WASHINGTON
October 20, 1977

The Vice President
Frank Moore
Jim McIntyre *nc*

The attached will be submitted
to the President. This copy
is forwarded to you for your
information.

Rick Hutcheson

RE: STATUS REPORT ON BLACK
LUNG CONFERENCE COMMITTEE
ACTIVITY

*But - dr + see
young has
something to
say on this -*

*[Team will call back
6:10 PM]*

nc

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
/	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
/	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
	/	MOORE
		POWELL
		WATSON
	/	LANCE <i>Jm</i>
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN